



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
12/041,454	03/03/2008	RON GONEN	REC006	1407

71136 7590 01/04/2018  
Maldjian Law Group LLC  
106 Apple Street  
Suite 200N  
Tinton Falls, NJ 07724

EXAMINER
----------

HAMILTON, MATTHEW L

ART UNIT	PAPER NUMBER
----------	--------------

3682

NOTIFICATION DATE	DELIVERY MODE
-------------------	---------------

01/04/2018

ELECTRONIC

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

jmaljdjian@mlgiplaw.com  
mlgdocketing@mlgiplaw.com

UNITED STATES PATENT AND TRADEMARK OFFICE

---

BEFORE THE PATENT TRIAL AND APPEAL BOARD

---

*Ex parte* RON GONEN

---

Appeal 2016-005559  
Application 12/041,454  
Technology Center 3600

---

Before ALLEN R. MacDONALD, CHARLES J. BOUDREAU, and  
AMBER L. HAGY, *Administrative Patent Judges*.

HAGY, *Administrative Patent Judge*.

DECISION ON APPEAL

Appellant<sup>1</sup> appeals under 35 U.S.C. § 134(a) from the Examiner's Final Rejection of claims 12–20, which are all of the pending claims.<sup>2</sup> We have jurisdiction under 35 U.S.C. § 6(b).

We affirm.

---

<sup>1</sup> Appellant identifies the real party in interest as RecycleBank LLC. (App. Br. 3.)

<sup>2</sup> Applicant withdrew claims 1–11, without prejudice, in an Amendment dated May 6, 2011, in response to the Examiner's Restriction Requirement dated April 7, 2011.

## STATEMENT OF THE CASE

### *Introduction*

According to Appellant, “[e]mbodiments of the present invention generally relate to a recycling system and method thereof. More specifically, embodiments of the present invention relate to a method of implementing an incentive-based recycling system which rewards clients for recycling recyclable goods via financial or other incentives.” (Spec. ¶ 2.)

### *Exemplary Claim*

Claim 12, reproduced below with the disputed limitation italicized, is the sole independent claim and is exemplary of the claimed subject matter:

12. A method of implementing a system of incentive-based recycling comprising the steps of:
  - receiving a quantity of recyclable material from a customer by a recycling pickup vehicle;
  - ascertaining a quantitative measurement of the recyclable material from the customer by a weighing mechanism;
  - downloading a series of data points from a local database by use of a computer, wherein the series of data points comprises the quantitative measurement of recyclable material from the customer;
  - validating the series of data points;
  - uploading the series of data points to a user-specific data table;*
  - generating at least one report from the data points uploaded to the user-specific data table; and
  - allocating rewards to the customer corresponding to a unique set of identifying data points.

### *References*

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Palik	US 4,949,528	Aug. 21, 1990
Brewer et al. (“Brewer”)	US 2001/0047299 A1	Nov. 29, 2001
Rendahl et al. (“Rendahl”)	US 2003/0040854 A1	Feb. 27, 2003
Berry	US 2004/0167799 A1	Aug. 26, 2004
Krupowicz	US 2005/0038572 A1	Feb. 17, 2005
Honegger	US 2005/0216369 A1	Sept. 29, 2005

### *Rejections<sup>3</sup>*

Claims 12–20 stand rejected under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter. (Final Act. 2–7.)

Claims 12, 14–18, and 20 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over Krupowicz, Honegger, Rendahl, and Brewer. (Final Act. 8–14.)

Claim 13 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over Krupowicz, Honegger, Rendahl, Brewer, and Berry. (Final Act. 14–15.)

Claim 19 stands rejected under 35 U.S.C. § 103(a) as being unpatentable over under 35 U.S.C. § 103(a) as being unpatentable over Krupowicz, Honegger, Rendahl, Brewer, and Palik. (Final Act. 15–16.)

---

<sup>3</sup> All rejections are under the provisions of 35 U.S.C. in effect prior to the effective date of the Leahy-Smith America Invents Act of 2011. (Final Act. 2.)

*Issues*

(1) Whether the Examiner erred in rejecting claims 12–20 under 35 U.S.C. § 101 as being directed to patent-ineligible subject matter.

(2) Whether the Examiner erred in finding that Rendahl teaches or suggests “uploading the series of data points to a user-specific data table,” as recited in independent claim 12.

ANALYSIS<sup>4</sup>

*A. Section 101 Rejection*

Patent eligibility is a question of law. *Dealertrack, Inc. v. Huber*, 674 F.3d 1315, 1333 (Fed. Cir. 2012).

The Supreme Court has set forth an analytical “framework for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2355 (2014) (citing *Mayo Collaborative Servs. v. Prometheus Labs., Inc.*, 566 U.S. 66, 71–73 (2012)). In the first step of the analysis, we determine whether the claims at issue are “directed to” a judicial exception, such as an abstract idea. *Alice*, 134 S. Ct. at 2355. If not, the inquiry ends. *Thales Visionix Inc. v. U.S.*, 850 F.3d 1343, 1346 (Fed. Cir. 2017); *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016). If the claims are determined to be directed to an abstract idea, then we consider under step two whether the claims contain an “inventive concept” sufficient to “transform the nature of

---

<sup>4</sup> Only those arguments made by Appellant have been considered in this decision. Arguments Appellant did not make have not been considered and are deemed to be waived. See 37 C.F.R. § 41.37(c)(1)(iv)(2015).

the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quotations and citation omitted).

Noting that “the two stages involve overlapping scrutiny of the content of the claims,” the Federal Circuit has described “the first-stage inquiry” as “looking at the ‘focus’ of the claims, their ‘character as a whole,’” and “the second-stage inquiry (where reached)” as “looking more precisely at what the claim elements add—specifically, whether, in the Supreme Court’s terms, they identify an ‘inventive concept’ in the application of the ineligible matter to which (by assumption at stage two) the claim is directed.” *Electric Power Grp., LLC v. Alstom S.A.*, 830 F.3d 1350, 1353 (Fed. Cir. 2016). In considering whether a claim is directed to an abstract idea, we acknowledge, as did the Court in *Mayo*, that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 566 U.S. at 71. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish*, 822 F.3d at 1336.

*Step One: Whether the Claims Are Directed to a Patent-Ineligible Concept (Abstract Idea)*

Here, in rejecting the pending claims under § 101, the Examiner analyzes the claims using the *Mayo/Alice* two-step framework, consistent with the guidance set forth in the USPTO’s “2014 Interim Guidance on Patent Subject Matter Eligibility,” 79 Fed. Reg. 74618 (Dec. 16, 2014), in effect at the time the Final Office Action was mailed. (Final Act. 2–7.) Addressing the first step, the Examiner finds claim 12 is directed to the abstract idea of “incentivizing recycling” (Final Act. 4), and also finds the

actions being performed in the claim read upon “certain methods of organizing human activities in terms of organizing how rewards or points are provided to the user commensurate with the recycling material provided by the user.” (*Id.* at 7.)

Appellant first argues that it is error for the Examiner to rely on the rationale that the claims are directed to a method of “organizing human activity” as a basis for concluding that the claims are directed to an abstract idea. (App. Br. 7–8.) Although Appellant acknowledges that the category of abstract ideas may include some methods of organizing human activity, Appellant argues that “the Supreme Court did not say all methods of organizing human activity are abstract ideas,” and thus insists that whether a claim is directed to a method of organizing human activity is not determinative of whether the claim is abstract. (*Id.* at 8.) We agree with Appellant that the Court did not suggest in *Alice* that all methods of organizing human activities are directed to an abstract idea. We further note, however, that the Federal Circuit has repeatedly confirmed since *Alice* that the category of abstract ideas embraces “fundamental economic practice[s] long prevalent in our system of commerce,” including “longstanding commercial practice[s]” and “method[s] of organizing human activity.” *E.g., Intellectual Ventures I LLC v. Symantec Corp.*, 838 F.3d 1307, 1313 (Fed. Cir. 2016).

In the Answer, the Examiner further refers to the July 2015 Interim Eligibility Guidelines, which issued after the date of the Final Action. (Ans. 2.) The Examiner notes that those Guidelines use the phrase “certain methods of organizing human activity” to “describe concepts relating to interpersonal and intrapersonal activities, such as managing relationships or

transactions between people, social activities, and human behavior; satisfying or avoiding a legal obligation; advertising, marketing, and sales activities or behaviors; and managing human mental activity.” (*Id.* at 2–3.) The Examiner also finds “Appellant’s invention falls under the abstract idea of certain methods of organizing human activity because it relates to advertising, marketing and sales activities or behaviors.” (*Id.* at 3.) In particular, the Examiner finds:

In the Appellant’s invention, a user is rewarded based on the amount of recyclable material provided and weighed. This is consistent with the definition of advertising and marketing under the abstract idea of certain methods of organizing human activity. The Appellant’s invention promotes and incentivizes users to provide recyclable material in exchange for a reward or credit. The promotion of a product or service (e.g., exchanging recyclable material for a reward or credit) is consistent with the definition of the concepts of advertising and marketing. Additionally, the Appellant’s invention tracks or monitors the amount of recyclable material provided and weighed in exchange for rewards, which, in turn is consistent with the concept of tracking sales activities or behaviors (e.g., tracking amount of rewards generated based on user recycling behavior and tracking sales of redemption of the rewards).

(*Id.* at 3.) We agree with the Examiner’s analysis.

Appellant next argues that claim 12 cannot be directed to an abstract idea because it recites use of a “weighing mechanism” to “ascertain[] a quantitative measurement of the recyclable material.” (App. Br. 9–10.) Appellant argues that because the weighing mechanism “interacts with physical objects,” it “is an apparatus that clearly transforms the claim into eligible subject matter.” (*Id.* at 9 (emphasis omitted).)

We disagree. Appellant does not purport to claim an innovative weighing mechanism or an innovative manner of weighing material. This



much is also clear from Appellant’s Specification, which describes a conventional manner of obtaining the weight of material by weighing the material in a bin and then subtracting the weight of the bin to obtain the net weight of the material. (*See* Spec. ¶ 24.) We also note that, in claiming steps of taking measurements, recording the data, and manipulating that data, Appellant’s claims are similar to claims the Federal Circuit has determined were directed to an abstract idea in *Electric Power Group*, 830 F.3d 1350. In that case, the claims recited steps of receiving measurements, recording data pertaining to those measurements, and manipulating and displaying that data. *Id.* at 1351–52. The Federal Circuit agreed that the claims were directed to an abstract idea of “collecting information, analyzing it, and displaying certain results of the collection and analysis,” even though the claims required use of various devices to take the measurements, to manipulate the data, and to display it. *Id.* at 1353–54. The court reasoned:

[T]he claims are clearly focused on the combination of those abstract-idea processes. The advance they purport to make is a process of gathering and analyzing information of a specified content, then displaying the results, and not any particular assertedly inventive technology for performing those functions. They are therefore directed to an abstract idea.

*Id.* at 1354. Similarly, here, Appellant’s claiming the use of a generic weighing mechanism for its ordinary purpose and in a conventional manner to obtain weight of a material does not render Appellant’s claimed invention less abstract.

Thus, at step one of the analysis, we are not persuaded that the Examiner erred in determining that the claims are directed to a patent-ineligible subject matter—that is, to an abstract idea.

*Step Two: Whether Additional Elements Transform The Idea Into Patent-Eligible Subject Matter*

Having found that the claims are directed to an abstract idea, the Examiner also finds that the additional elements or combinations of elements beyond the abstract idea do not amount to “significantly more” than the abstract idea itself. (Final Act. 4.)

Appellant challenges this finding by arguing, as noted above, that the recitation of obtaining a “quantitative measurement of the recyclable material . . . by a weighing mechanism” is a recitation of “significantly more” than “just ‘applying an abstract idea on a general purpose computer’.” (App. Br. 9.) We disagree. As noted above, the use of tools in a conventional way for their ordinary purpose does not render patent-eligible a claim that is directed to an abstract idea. *See, e.g., Electric Power Group*, 830 F.3d at 1353–56. The Federal Circuit’s analysis of the second step of the *Alice* framework in *Electric Power Group* is also instructive here.

There, the court noted:

The claims in this case do not even require a new source or type of information, or new techniques for analyzing it. . . . As a result, they do not require an arguably inventive set of components or methods, such as measurement devices or techniques, that would generate new data. They do not invoke any assertedly inventive programming. Merely requiring the selection and manipulation of information . . . by itself does not transform the otherwise-abstract processes of information collection and analysis.

*Electric Power Group*, 803 F.3d at 1355. The court also noted, in terms of “*how* the desired result is achieved,” that the claims also “do not require any nonconventional computer, network, or display components, or even a ‘non-conventional and non-generic arrangement of known, conventional pieces,’

but merely call for performance of the claimed information collection, analysis, and display functions ‘on a set of generic computer components’ and display devices.” *Id.* The same analysis applies here. As in *Electric Power Group*, Appellant’s claims specify what information it is desirable to gather, analyze, and manipulate, but they do not include any requirement for performing the claimed functions of gathering, analyzing, and manipulating that information by use of anything but entirely conventional, generic technology. (*See also* Ans. 5–6.) The claims, therefore, merely link the use of the abstract idea to a particular technological environment, which does not amount to “significantly more.”

Appellant’s Reply Brief raises several additional arguments against the Examiner’s § 101 rejection. (Reply Br. 3–7.) We find nothing in the Examiner’s Answer that would have prompted these new arguments; therefore, these new arguments are not entitled to our consideration. *Optivus Tech., Inc. v. Ion Beam Applications S.A.*, 469 F.3d 978, 989 (Fed. Cir. 2006) (argument raised for the first time in the reply brief that could have been raised in the opening brief is waived); *accord Ex parte Borden*, 93 USPQ2d 1473, 1473–74 (BPAI 2010) (informative opinion) (absent a showing of good cause, the Board is not required to address an argument newly presented in the reply brief that could have been presented in the principal brief on appeal).

Nevertheless, even considering Appellant’s new arguments, we are not persuaded of Examiner error. Appellant argues the Examiner “failed to analyze each and every element in their entirety.” (Reply Br. 3.) In particular, Appellant argues the Examiner failed to properly analyze the claims’ requirement of “downloading a series of data points” and “validating

the series of data points.” (*Id.*) Appellant argues, in particular, that the recitation of downloading data points cannot be done by a human and also accomplishes a specific objective that is not abstract. (*Id.* at 4.) These arguments are not persuasive of error. As the Supreme Court has explained, “the mere recitation of a generic computer cannot transform a patent-ineligible abstract idea into a patent-eligible invention.” *Alice Corp.*, 134 S. Ct. at 2358. Thus, automating the claimed data collection and validation with the use of a generic computer performing generic computer operations such as downloading data does not transform Appellant’s claims into patent-eligible subject matter.

Appellant also argues error by asserting that the Examiner has failed to provide “evidence . . . compelling the conclusion” the claims are directed to an abstract idea. (Reply Br. 4.) We disagree that the Examiner was required to provide such evidence as part of the Examiner’s *prima facie* case. The Federal Circuit has repeatedly noted that “the *prima facie* case is merely a procedural device that enables an appropriate shift of the burden of production.” *Hyatt v. Dudas*, 492 F.3d 1365, 1369 (Fed. Cir. 2007) (citing *In re Oetiker*, 977 F.2d 1443, 1445 (Fed. Cir. 1992)). The court has, thus, held that the Office carries its procedural burden of establishing a *prima facie* case when its rejection satisfies the requirements of 35 U.S.C. § 132 by notifying the applicant of the reasons for rejection, “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” *See In re Jung*, 637 F.3d 1356, 1362 (Fed. Cir. 2011). Here, in rejecting the pending claims under § 101, the Examiner analyzed the claims using the *Mayo/Alice* two-step framework, and notified Appellant that claims 12–20 are directed to

“incentivizing recycling” and also read upon “certain methods of organizing human activities in terms of organizing how rewards or points are provided to the user commensurate with the recycling material provided by the user.” (Final Act. 4, 7.) In so doing, the Examiner notified Appellant of the reasons for the rejection “together with such information and references as may be useful in judging of the propriety of continuing the prosecution of [the] application.” 35 U.S.C. § 132. We find, therefore, that the Examiner set forth a prima facie case of patent-ineligibility such that the burden of production then shifted to Appellant to demonstrate that the claims are patent-eligible.

Finally, with regard to Appellant’s argument regarding preemption (Reply Br. 5–6), we are also not persuaded of error. There is no dispute that the Supreme Court has described “the concern that drives this exclusionary principle [i.e., the exclusion of abstract ideas from patent eligible subject matter] as one of pre-emption.” *See Alice Corp.*, 134 S. Ct. at 2354. However, characterizing preemption as a driving concern for patent eligibility is not the same as characterizing preemption as the sole test for patent eligibility. As our reviewing court has explained: “The Supreme Court has made clear that the principle of preemption is the basis for the judicial exceptions to patentability,” and “[f]or this reason, questions on preemption are inherent in and resolved by the § 101 analysis.” *Ariosa Diagnostics, Inc. v. Sequenom, Inc.*, 788 F.3d 1371, 1379 (Fed. Cir. 2015) (citing *Alice Corp.*, 134 S. Ct. at 2354). Although “preemption may signal patent ineligible subject matter, the absence of complete preemption does not demonstrate patent eligibility.” *Id.* (See also Ans. 5–6.)

For the foregoing reasons, we are not persuaded the Examiner erred in rejecting independent claim 12 as directed to patent-ineligible subject matter under 35 U.S.C. § 101, or in rejecting on the same basis dependent claims 13–20, which Appellant does not argue separately. (App. Br. 10.)

*B. § 103(a) Rejections*

We have reviewed the Examiner’s rejections under 35 U.S.C. § 103(a) in light of Appellant’s arguments the Examiner has erred. We disagree with Appellant’s conclusions and we adopt as our own: (1) the findings and reasons set forth by the Examiner in the action from which this appeal is taken (Final Act. 8–17); and (2) the reasons set forth by the Examiner in the Examiner’s Answer in response to Appellant’s Appeal Brief (Ans. 6). We concur with the conclusions reached by the Examiner, and we highlight the following points for emphasis.

The Examiner finds the combination of Krupowicz, Honegger, Rendahl, and Brewer teaches or suggests the limitations of claim 12. (Final Act. 8–12.) With regard to the recitation of a “user-specific data table,” the Examiner relies particularly on Rendahl. (*Id.* at 10.) Rendahl discloses gathering data (particularly, vehicle emissions data correlated with a vehicle’s license plate) and creating a record of that data for forwarding to a processing station, where the data may be displayed, validated, and forwarded to a predetermined location (such as a law enforcement agency that may issue a citation for an emissions violation). (*E.g.*, Rendahl ¶¶ 21, 132.) Rendahl further discloses the collected and validated data may be saved at a central collection facility, in which image data (such as vehicle license plates) may be stored separately from emissions or other data. (*Id.* at ¶ 38.)

Appellant argues the Examiner's findings are in error because "*Rendahl* clearly fails to disclose any table let alone the 'user-specific data table' as recited in claim 12." (App. Br. 12 (bold emphasis omitted)). In making that argument, Appellant takes issue with the Examiner's construing a "user-specific data table" as encompassing a "database." (Reply Br. 7; Ans. 6.) We are not persuaded of Examiner error. It is well settled that the terms of a claim must be given the broadest reasonable interpretation, consistent with Appellant's Specification, as they would be interpreted by one of ordinary skill in this art. *In re Morris*, 127 F.3d 1048, 1054–55 (Fed. Cir. 1997); *In re Zletz*, 893 F.2d 319, 321–22 (Fed. Cir. 1989). Here, Appellant's Specification does not refer to a "user-specific data table," but consistently discloses that the data is uploaded "to a central database." (E.g., Spec. ¶¶ 6–8, 18–19, 25, 27–29.) Appellant's Specification also broadly refers to generating a report of uploaded data in which the report "may present the data points and/or analysis of such points in *any format or presentation medium suitable* for embodiments of the present invention." (*Id.* ¶ 29, emphasis included.) Thus, broadly but reasonably construed consistent with Appellant's Specification, the claimed "user-specific data table" encompasses a database organized according to a user's needs.

We further agree that the recited "user-specific data table" encompasses the teachings of *Rendahl*, which discloses that data may be output in a *customized* format: "An advantage of the data processing and validation system is that it permits the production of a *customized output depending upon the needs of a particular user of the system.*" (*Rendahl* ¶ 132, emphasis included). *Rendahl* further discloses that processed data may be imported into a variety of formats, including an Excel® spreadsheet

(Rendahl ¶ 43), which is a well-known database program that presents data in tabular format. Thus, the ordinarily skilled artisan would understand from Rendahl that the processed data may be uploaded to a “user-specific data table,” as recited in claim 12.

We, therefore, agree the Examiner’s findings are supported by the teachings of Rendahl. Appellant’s arguments, which are directed at an incorrect characterization of the teachings of Rendahl, do not persuasively rebut those findings.

For the foregoing reasons, we are not persuaded of error in the Examiner’s 35 U.S.C. § 103(a) rejection of independent claim 12, or of dependent claims 14–18 and 20, which are argued collectively with claim 12. (App. Br. 11–12.) We, therefore, sustain the rejection of claims 12, 14–18, and 20 as unpatentable over the combination of Krupowicz, Honegger, Rendahl, and Brewer.

We likewise sustain the Examiner’s obviousness rejection of dependent claims 13 and 19 over Krupowicz, Honegger, Rendahl, Brewer, and the additionally cited prior art listed above (Berry for claim 13 and Palik for claim 19). Appellant has not particularly pointed out errors in the Examiner’s reasoning regarding the additional teachings of the further cited art as applied to these claims, but instead argues these claims collectively with the other claims and contends only that Brewer, Berry, and Palik collectively fail to cure the alleged deficiencies of Rendahl, Krupowicz, and Honegger as applied to independent claim 12. (App. Br. 13.)



## CONCLUSION

In summary:

<b>Claims Rejected</b>	<b>Basis</b>	<b>Reference(s)</b>	<b>Claims Affirmed</b>	<b>Claims Reversed</b>
12–20	§ 101	N/A	12–20	None
12, 14–18, and 20	§ 103(a)	Krupowicz, Honegger, Rendahl, and Brewer	12, 14–18, and 20	None
13	§ 103(a)	Krupowicz, Honegger, Rendahl, Brewer, and Berry	13	None
19	§ 103(a)	Krupowicz, Honegger, Rendahl, Brewer, and Palik	19	None
<b>Summary</b>			12–20	None

## DECISION

The Examiner’s rejection of claims 12–20 under 35 U.S.C. § 101 is affirmed.

The Examiner’s rejections of claims 12–20 under 35 U.S.C. § 103(a) are affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

**AFFIRMED**